

# East Grinstead Memorial Estate Ltd

## Policy No. 7 Reserves

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### Purpose of the Policy

- To ensure the charity maintains sufficient liquid financial assets to enable it to meet its short-term financial obligations, including any unforeseen events. The purpose is to protect the charity from any financial shortfall which would affect its ability to continue to operate.
- In framing this policy, East Grinstead Memorial Estate Limited (EGMEL) has paid full regard to the advice from the Charity Commission (CC) on the maintenance of financial reserves. Further detail on this guidance is available on the CC website <https://www.gov.uk/government/publications/charities-and-reserves-cc19/charities-and-reserves#sA1>
- The nature of EGMEL's underlying objectives and activities means that the charity has no fixed costs and no employee expenses/obligations. The majority of its short-term outgoings are discretionary in nature, being the predominantly annual round of local community grants. This is reflected in the policy statement below.

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### Policy

- EGMEL must maintain liquid/ financial assets in its bank accounts to meet six months' worth of operating costs. As of 2022, this would typically represent an amount of between £3,000 - £5,000.
- In addition to the Reserves noted above, the Board also elect currently to maintain additional liquid funds to fulfil its discretionary grants programme.

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### Responsibilities

- The Treasurer is responsible for ensuring that sufficient liquid assets are maintained in the bank accounts at all times to meet the requirements of the Reserves Policy.
- The Treasurer is responsible for providing regular updates to the Board on EGMEL's financial position. In the very unlikely event that the charity is reaching the Reserves threshold, Board approval must be obtained to release cash from the investment portfolio.

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### Approval

This policy was approved by the EGMEL Board on ..... 16th January 2024  
And an annual review is due on or before ..... 28th February 2025



Lloyd Richards, Chairman